

# CASE STUDY: PROTOTYPE LINKS SOUTH AFRICAN FISHING CO-OP TO MARKETS, MODELS VALUE CHAIN INNOVATION FOR NEW LAW

## PROTOTYPE PROJECT OVERVIEW

### The challenge

Small-scale fishing in South Africa has been characterized by a system in which individual fishers are at the mercy of supply-chain middlemen and have no control over the prices they receive for their diminishing catches. To improve their incomes, fishers expanded their efforts, putting increased pressure on the area's already overexploited marine resources, which include west coast rock lobster and line-caught fish species.

Shortening the value chain so that fishers would have greater access to markets at better prices required harnessing new legislation granting commercial fishing rights and marine management responsibilities to small-scale fishers working in newly formed cooperatives. Implementing this novel approach designed to contribute to local socio-economic development and help alleviate poverty would require the support and participation of community fishers, NGOs, and businesses, as well as tourism, university, and government officials.

### The prototype

South Africa's rocky Kogelberg coast southeast of Cape Town and home to a UNESCO Biosphere Reserve is the setting in which a newly formed women's cooperative buys locally caught line-fish species from 15 fishers in Pringle Bay, Betty's Bay, and Kleinmond Harbour, and then sells the product at higher minimum prices to local restaurants, chefs, and retailers committed to sustainably caught fish.

### 50in10 role and partners

Partners include World Wildlife Fund South Africa (WWF-SA); Kogelberg Small-Scale Fishers, the Department of Agriculture, Forestry and Fisheries; the Hangklip Kleinmond Tourism Bureau; the Overstrand Local Economic Development Office; Kogelberg Coast Marine Working Group; CapeNature; University of Cape Town; local restaurants; and Pick n Pay, a supermarket chain. 50in10 provided WWF-SA with technical assistance and a \$25,000 matching grant to support outreach and the salary for a local coordinator.

## **50in10 Theory of Change in action**

### **Policy reform**

South Africa's newly amended Small Scale Fisheries Policy allocates collective commercial rights to small-scale fisheries through cooperatives, encouraging fishers to work together to pursue legal and economically viable livelihoods and reverse the fragmentation under the previous system of individual permits that excluded them from the formal fisheries sector.

Policy actions included:

- Formation of a women's fishing cooperative to operate a supply chain restaurant project and serve as the main local fishery and marine resource management body

### **Community empowerment**

The project empowers the cooperative to play an active role throughout the value chain. Members sell fish to restaurants and manage all steps in the supply chain, from catch to product delivery. They also have resource monitoring responsibilities and compliance duties in managing the fishery. Actions taken included:

- Three cooperative members serve on the Kogelberg Coastal Marine Working Group to represent the fishing community.
- Cooperative members are expected to receive training about all steps in the supply chain.

### **Credible science**

The project is moving fishers from a paper-based data collection system to an integrated monitoring system via a smart phone application that records catch data, supports supply chain traceability, and informs co-management discussions with government partners.

Activities included:

- Training fishers, cooperative members, and government monitors on using the phone application.

### **Market demand**

Building relationships with restaurants and retailers eager to meet customer demand for sustainable seafood, the cooperative works with local business and tourism authorities to build consumer awareness and demand for products that support fishing community livelihoods. Actions included:

- Two seafood restaurants buy catch from the cooperative at preferential prices.

- Cooperative members received training from a notable chef on how to prepare fish for high-end restaurant markets.
- The tourism bureau developed a culinary roots marketing campaign.
- Plans to establish a fish market at Kleinmond Harbour are under development.

## **Results**

As a novel approach to small-scale fisheries governance, the restaurant value-chain project provides a model for how other South African fishing communities can implement the new small-scale fishery policy and contribute to the revitalization of their coastal towns. Results included:

- Formation of a women's cooperative
- Participation of two restaurants; many others have expressed interest
- Piloting of IMS smart phone application tool for data collection and traceability to be rolled out nationally as part of the small-scale fisheries policy
- Pick n Pay indicated a commitment to sell the cooperative's pickled mussels at stores nationwide

## **PROJECT STORY**

### **Prototype Links Fishing Co-op to Markets, Models Value Chain Innovation for New Fishery Law**

South Africa's rocky Kogelberg coast southeast of Cape Town is the setting of a 50in10 prototype project that promotes implementation of legislation granting commercial fishing rights and marine management responsibilities to small-scale fishers. At its center is a newly formed cooperative that links the fishers to restaurants and markets committed to purchasing sustainably caught fish.

The project harnesses the country's new small-scale fishing policy to address environmental sustainability issues of area fishing activities plus considers the poverty and inequity challenges faced by coastal fishing communities. By capitalizing on Kogelberg's UNESCO Biosphere Reserve status and linking with tourism and economic development entities, the program acknowledges the fishing sector's important role in strengthening tourism and creating job opportunities.

### **Prototype models 50in10 Theory of Change**

"We knew this project would benefit greatly from the seed money, be able to rapidly execute the prototype, and make a collective impact," says Megan Arneson, 50in10 acting executive director. "It exemplifies how the four levers of our Theory of Change—community empowerment, policy reform, credible science, and market demand—work together to create lasting change, restore fishery health, and strengthen Kogelberg's fishing communities."

The project seeks to build local markets for sustainable seafood and ensure that fisheries are managed sustainably using a framework addressing human rights, gender equality, and economic development as mandated by South Africa's revised Small Scale Fisheries Policy.

### **Policy reform: creates opportunities to build local markets & strengthen sustainability**

By allocating community rights to small-scale fisheries through cooperatives, the policy aims to encourage fishers to work together and reverse the fragmentation of small-scale fishing communities that the previous system of individual permits created.

"This partnership aims to help bridge the gap between small-scale fishers and restaurants by empowering a local women's fisher cooperative to work with all the fishers in the area to enable them to sell fish directly to the restaurants for a better price," explains Mkhululi

Silandela, small-scale fisheries officer with the World Wildlife Fund South Africa (WWF-SA), one of nine government, NGO, university, and commercial partners involved.

### **Community empowerment for women's cooperative**

In this program, women participate in the design and implementation of the value chain project and in the co-management of the fishery. "Women are the pillars of fishing communities, and their hard work is hardly ever acknowledged," says Silandela.

The nine-person women's cooperative aims to buy locally caught line-fish species from 80 fishers in Pringle Bay, Betty's Bay, and Kleinmond Harbour, and then sell the product at higher minimum prices negotiated with two seafood restaurants: KabelJoe's, a seafood and sushi establishment in Kleinmond Harbour, and On the Edge, at the new Stony Point Eco-Centre adjacent to a colony of endangered African penguins.

### **Build market demand, shorten value chain, boost seafood value**

"It's a creative solution to shorten the many steps in the value chain by eliminating the middlemen and maximizing the value of local species," explains Corey Peet, 50in10 program director, noting that implementing a solid business model promotes good practices and rewards fishers for following them—which is key to building sustainable fisheries. For one species of line-caught fish, the cooperative and the two restaurants agreed to a minimum price that is more than twice the old price.

The project also increases market value by creating "storied fish" and tapping restaurants and chefs to prepare local species in creative ways as well as appealing to traditional tastes. The tourism bureau created a culinary roots marketing campaign that celebrates the "storied fish" and highlights the labor that went into catching and preparing the fish, Peet adds. In addition, Pick n Pay (one of Africa's largest retailers) agreed to sell the cooperative's pickled mussels at stores nationwide.

50in10 provided WWF-SA with technical assistance and a \$25,000 matching grant to support outreach and pay a local coordinator. Hired in October, Thelisa Mqoboka brings participants together, handles logistics, and helps educate the community about marine conservation and development. The Cape Town local recently organized a training with a notable chef for cooperative members to learn how to prepare catches for high-end restaurant markets.

**Credible science: smart phone app records data, informs decisions**

The program aims to move fishers from paper-based data collection to an integrated monitoring system via a smart phone application designed by the University of Cape Town. The system records catch data, supports supply chain traceability efforts, and informs co-management discussions with government partners. Mqoboka trained fishers and government monitors to use the new cell phone application. In addition, she organized business-management trainings for cooperative members to prepare them to take over operation of the restaurant value chain project next year.

50in10 funded the project coordinator position for one year, and Arneson was optimistic that the position and restaurant project would be able to secure additional funding from government and other sources to continue the initiative's momentum. The project's long-term goals include establishing a fish market at Kleinmond Harbour.

Ultimately, the value chain prototype provides a model for other South African fishing communities that shows how a range of stakeholders are implementing the new policy in an innovative way.